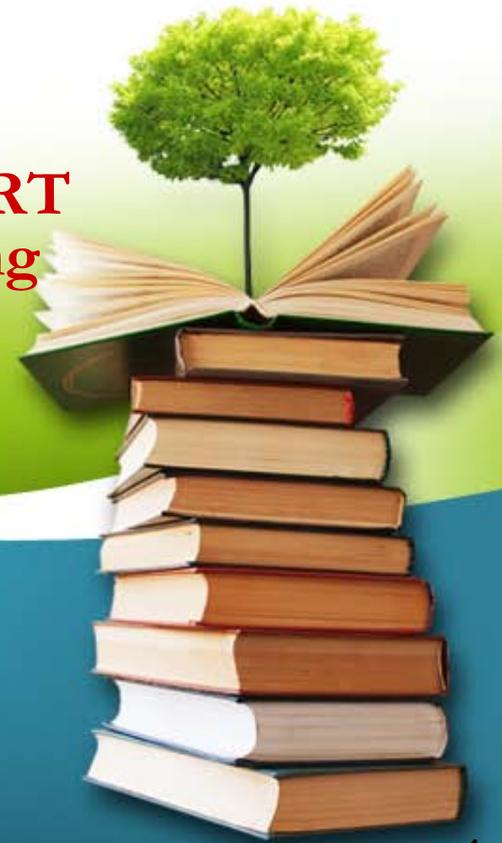


**HIGHLIGHTS**  
of  
**INTERIM FINANCIAL REPORT**  
At March 31, 2014  
and

**BUDGET AMENDMENT REPORT**  
for the April 15, 2014 Board Meeting

(unaudited)  
Prepared by  
Business Support Services Division



**Always Taking Care of Business!**

**Posted on our website at**

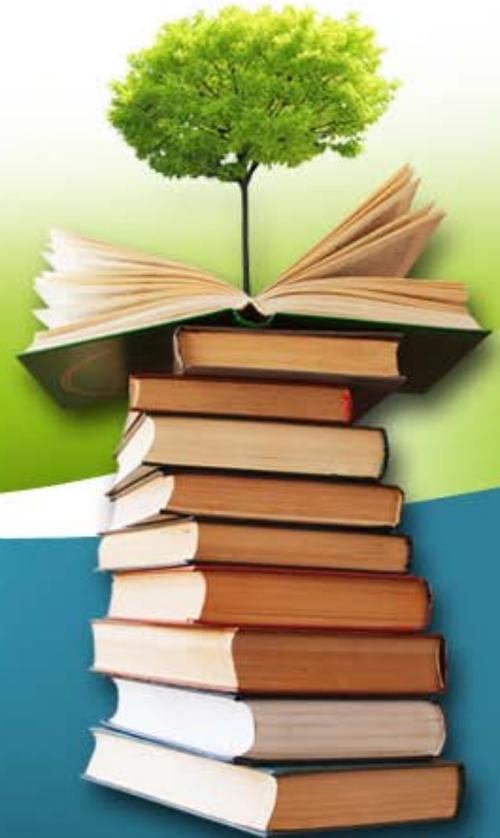
<http://www.hcde-texas.org/default.aspx?name=BusinessServicesHome>

**Linked from State Comptroller's website**

<http://www.texastransparency.org/local/schools.php>



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# INTERIM FINANCIAL REPORT (unaudited)

## GENERAL FUND Balance Sheet at March 31, 2014



	<u>ACTUAL</u>
<b><u>ASSETS</u></b>	
Cash and Temporary Investments	\$ 33,756,564
Property Taxes-Delinquent at September 1, 2013	1,050,756
Less: Allowances for Uncollectible Taxes	(31,523)
Due from Federal Agencies	7,939
Other Receivables	3,929,209
Inventories	132,989
Deferred Expenditures	-
Other Prepaid Items	24,665
<b>TOTAL ASSETS:</b>	<b>\$ 38,870,598</b>
<b><u>LIABILITIES</u></b>	
Accounts Payable	21,681
Bond Interest Payable	-
Due to Other Funds	199,671
Accrued Wages	-
Payroll Deductions	514,063
Due to Other Governments	-
Deferred Revenue	1,046,390
<b>TOTAL LIABILITIES:</b>	<b>\$ 1,781,805</b>
<b><u>FUND EQUITY</u></b>	
Unassigned Fund Balance	13,305,134
Non-Spendable Fund Balance	146,918
Restricted Fund Balance	518
Committed Fund Balance	1,408,000
Assigned Fund Balance	8,197,031
Excess(Deficiency) of Revenues & Other Resources Over(Under) Expenditures & Other Uses	12,271,961
<b>TOTAL FUND EQUITY:</b>	<b>\$ 35,329,562</b>
Fund Balance Appropriated Year-To-Date	1,759,231
<b>TOTAL LIABILITIES, FUND EQUITY, AND FUND BALANCE APPROPRIATED TO DATE:</b>	<b>\$ 38,870,598</b>

# INTERIM FINANCIAL REPORT (unaudited)

## ASST. SUPERINTENDENT FOR BUSINESS SERVICES' MESSAGE

### As of March 31, 2014



**The audited General Fund balance at 9/1/13 is \$24,815,013**

**Assigned: \$ 9,394,231**

**Unassigned: \$ 13,748,845**

As of 3-31-2014, the estimated activity is: As the end of the year close is completed, a budget amendment will be submitted to the board for items assigned, restricted and committed that will roll forward into FY 2014

Description	9/1/2011	Appropriated YTD	Estimated Balance
<b>Non-Spendable</b>	\$ 146,918	\$ -	\$ 146,918
<b>Restricted</b>	117,019	(116,501)	518
<b>Committed</b>	1,408,000	-	1,408,000
<b>Assigned</b>	9,394,231	(1,197,200)	8,197,031
<b>Unassigned</b>	13,748,845	(445,530)	13,303,315
<b>Total Fund Balance</b>	\$ 24,815,013	\$ (1,759,231)	\$ 23,055,782

# INTERIM FINANCIAL REPORT (unaudited)

## As of March 31, 2014

### Financial Ratios

- *Level One - Indicator of financial strength*
- *Level Two - Indicator of efficient leverage*
- *Level Three - Indicators of efficiency*
- *Level Four - Indicator of revenue growth*



# INTERIM FINANCIAL REPORT (unaudited)

## As of March 31, 2014

### *Indicator of Financial Strength*

- Percent of Fund Balance to G/F Expenditures Ratio**

What is the percent of rainy fund balance?

<b>Unassigned Fund Balance</b>	<b>13,303,315</b>
-----	
<b>Total G/F Expenditures</b>	<b>23,901,164</b>

Goal :	> 30% of G/F Exp.
Benchmark:	10% to 29%
Danger:	Under 10%

- Working Capital Ratio**

What is the cash flow availability for the organization?

<b>Total Current Assets</b>	
<b>Less Total Liabilities</b>	
-----	
<b>38,870,597.99 – 1,781,805.26 =</b>	<b>37,088,793</b>

Goal :	>\$15,000,000
Benchmark :	\$10M to \$15M
Danger :	Under < \$10M

**56% FY14**

**46% FY13**

**\$37M FY14**

**\$34M FY13**

Details on Schedule 3

Budgeted  
26%

Details on Schedule 1

Budgeted  
\$18 M

# INTERIM FINANCIAL REPORT (unaudited)

## As of March 31, 2014

### *Indicator of Efficient Leverage Reserves*

- Unassigned Fund Balance Ratio**

How much is available in reserves?

Unassigned Fund Balance 13,305,134

-----  
Total Fund Balances 37,088,793

Goal : >75%  
Benchmark: 50% to 75%  
Danger: <50%

- Debt to Income Ratio**

What is the ability of HCDE to cover its debt payments?

Annual Principal and Interest Payments on Term Debt and Capital Leases \$1,822,609

-----  
G/F Revenue Less Facility Charges  
36,173,126 – 2,926,925

Goal : <25% of annual revenue  
Benchmark : 25% to <49%  
Danger : Under < 50%

36% FY14

38% FY13

5% FY14

5% FY13

Details on Schedule 1

Budgeted  
52%

Details on Schedule 5

Budgeted  
7%

# INTERIM FINANCIAL REPORT (unaudited)

## As of March 31, 2014

### *Indicators of efficiency*



- Tax Revenue to Total Revenue Ratio**

How efficient is HCDE at leveraging local taxes?

**Total Tax Revenue**    \$19,409,160

-----  
**Total Revenue**    \$52,131,017

Goal :                      < 20% of revenue  
 Benchmark:              20% to 30%  
 Danger:                    More than 30%

- Indirect Cost to Tax Ratio**

How much dependency on indirect cost from grants?

**Indirect Cost General Fund**                      \$784,100

-----  
**Total General Fund Revenues**                      \$36,173,126

Goal :    >5%  
 Benchmark :    2% to 5%  
 Danger :    Under < 2%

**37% FY14**

**32% FY13**

**2% FY14**

**2.7% FY13**

Details on Schedule 2

Details on Schedule 3

Budgeted  
22%

Budgeted  
5%

# INTERIM FINANCIAL REPORT (unaudited)

## As of March 31, 2014

### *Indicator of revenue growth*



- Fee for Service Revenue Ratio**

How are revenues spread across All Funds?

- Fee for Service Revenue Growth Ratio**

What is the market growth for fee for services?

**Total Fee for Service Revenues (G/F) \$15,004,655**

-----  
**Total Revenues \$52,131,017**

Goal : > 30% of annual revenue  
Benchmark: 10% to 29%  
Danger: Under 10%

**Fee for Services Current Year Less Fee for Services Last Year**

**\$15,004,655 – 14,750,641**

**Fees for Service Last Year \$14,750,641**

Goal : >3% + growth  
Benchmark : 0% to 3%  
Danger : Under < 0%

**29% FY14**

**26% FY13**

**1% FY14**

**2.6% FY13**

Details on Schedule 13-

Budgeted  
25%

Details on Schedule 13-

Budgeted  
6%



# FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September- January 2014	March 2014	Est. F/Bal 8-31-14
Inventory	120,424			120,424
Asset Replace Schedule	1,500,000			1,500,000
Bldg & Vehicle Replacement Schedule	1,475,000	(369,200)		1,105,800
Carryover encumbrances	237,958			237,958
Deferred Revenue –HP Schools	103,300			103,300
Deferred revenues	26,494			26,494
Emp. Retire Leave Fund	1,250,000			1,250,000
PFC Construction	1,200,000			1,200,000
Early Childhood Intervention Funding	1,100,000	(778,000)		322,000
Insurance Deductibles	500,000			500,000
NEW Payroll System	295,000			295,000

# FY 2013-14 FUND BALANCE – BUDGETED ACTIVITY



FUND BALANCE CATEGORY	Sept 1, 2013 Beginning Unaudited	September- January 2014	March 2014			Est. F/Bal 8-31-14
PFC Lease payment	<b>807,915</b>					<b>807,915</b>
Program start up	<b>900,000</b>	<b>(50,000)</b>				<b>850,000</b>
Local Construction Fund 170	<b>452,225</b>					<b>452,225</b>
QZAB Renovation Projects	<b>117,019</b>	<b>(116,501)</b>				<b>518</b>
QZAB bond payment	<b>697,833</b>					<b>697,833</b>
Safe & Secure Schools Project	<b>125,000</b>					<b>125,000</b>
Unemployment Liability	<b>158,000</b>					<b>158,000</b>
<b>Total Reserves:</b>	<b>11,066,168</b>	<b>(1,197,200)</b>				<b>9,918,968</b>
<b>Unassigned:</b>	<b>13,748,845</b>	<b>(445,530)</b>				<b>13,303,315</b>
<b>Total Est. Fund Balance:</b>	<b>24,815,013</b>	<b>(1,759,231)</b>				<b>23,055,782</b>

# INTERIM FINANCIAL REPORT (unaudited)

## GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS AND INTERNAL SERVICE FUNDS



### Revenues

Budget to Actual at March 31, 2014

Fund	Budget	Received/Billed	%
<b>General Fund</b>	\$ 48,000,286	36,173,126	75%
March is the end of the 7th month or <b>approximately 58%</b> of the fiscal year.			
(1) This amount includes accounts receivable billed.			
<b>Special Revenue Funds</b>	37,860,406	11,338,793	30%
Most grant periods differ from fiscal year.			
(2) Grants are on monthly reimbursement basis; subsequently billed			
<b>Debt Service Fund</b>	2,653,751	1,822,609	69%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
<b>PFC Fund</b>	-	11	0%
<b>Trust and Agency Fund</b>	-	2,541	0%
<b>Worker's Comp. Fund</b>	464,082	225,869	49%
<b>Internal Service Fund</b>	5,656,446	2,568,068	45%
<b>Total as of the end of the month</b>	<b>\$94,634,971</b>	<b>\$52,131,017</b>	<b>55%</b>

# INTERIM FINANCIAL REPORT (unaudited) GENERAL, SPECIAL REVENUE, DEBT SERVICE FUNDS and INTERNAL SERVICE FUNDS



## Expenditures

Budget to Actual at March 31, 2014

Fund	Budget	Encumbered/Spent	%
<b>General Fund</b>	\$49,759,517	\$23,901,164	52%
(1) Encumbrances as of the end of the month total. <span style="float: right;">1,829,370 Encumbrances</span> March is the end of the 7th month or <b>approximately 58%</b> of the fiscal year.			
<b>Special Revenue Fund</b>	37,860,406	14,835,464	53%
(2) Encumbrances as of the end of the month total. <span style="float: right;">5,102,543 Encumbrances</span> Most grant periods differ from fiscal year.			
<b>Debt Service Fund</b>	2,653,751	1,822,609	69%
(3) This fund has activity in February (interest and principal payments) and in August (interest only payment).			
<b>PFC Fund</b>	-	10	0%
<b>Trust and Agency Fund</b>	-	4,768	0%
<b>Worker's Comp. Fund</b>	464,082	150,795	32%
<b>Internal Service Fund</b>	5,656,446	3,787,992	67%
<b>Total as of the end of the month</b>	<b>\$ 96,394,202</b>	<b>\$51,434,715</b>	<b>53%</b>

# INTERIM FINANCIAL REPORT (unaudited)

## FY 2013-14 Donations Report \* All Funds as of Mar. 31, 2014



MONTH	CASH	IN-KIND	TOTAL
September	\$230.00	\$602.50	\$832.50
October	0.00	\$19,100.62	\$19,600.62
November	\$1,000.00	\$2,500.00	\$3,500.00
December	\$874.57	\$2,140.64	\$3,015.21
January	\$500.00	\$4,374.40	\$4,874.40
February	0	\$2,645.00	\$2,645.00
March	0	0	0
April			
May			
June			
July			
August			
<b>Total:</b>	<b>\$2,604.57</b>	<b>\$31,363.16</b>	<b>\$33,967.73</b>

# INTERIM FINANCIAL REPORT (unaudited)

## TAX COLLECTIONS COMPARATIVE ANALYSIS Fiscal Year-To-Date at March 31, 2014



See Tax Calculator at → <http://www.hcde-texas.org/default.aspx?name=TaxCalculator>

	August	September	October	November	December	January	March
	ADOPTED						
	TAX RATE						
Proposed Collections Tax Year 2012	0.006358	0.006358	0.006358	0.006358	0.006358	0.006358	0.006358
Certified Taxable Value per HCAD *	\$ 255,510,232,852	\$ 291,734,641,998	\$ 305,728,975,367	\$ 312,983,297,141	\$ 314,801,526,552	\$ 315,954,022,723	\$ 316,517,902,573
Values under protest or not certified	47,628,019,827	22,834,202,254	10,580,483,023	4,258,170,138	2,519,312,809	1,459,611,494	496,168,537
	303,138,252,679	314,568,844,252	316,309,458,390	317,241,467,279	317,320,839,361	317,413,634,217	317,014,071,110
/ Rate per Taxable \$100	3,031,382,527	3,145,688,443	3,163,094,584	3,172,414,673	3,173,208,394	3,174,136,342	3,170,140,711
X Tax Rate	19,273,530	20,000,287	20,110,955	20,170,212	20,175,259	20,181,159	20,155,755
X Estimated 99% collection rate	19,080,405	19,800,284	19,909,846	19,968,510	19,973,506	19,979,347	19,954,197
+Delinquent Tax Collections	270,000	260,000	260,000	250,000	250,000	260,000	260,000
+Special Assessments	10,000	10,000	10,000	10,000	10,000	10,000	10,000
+ Penalty & Interest	130,500	130,500	130,500	130,500	130,500	130,500	130,500
<b>Estimated Current Tax Available</b>	\$ 19,490,905	\$ 20,200,784	\$ 20,310,346	\$ 20,359,010	\$ 20,364,006	\$ 20,379,847	\$ 20,354,697

# INTERIM FINANCIAL REPORT (unaudited)

## TAX COLLECTIONS Fiscal Year-To-Date at March 31, 2014 (7<sup>th</sup> month/12 month)



DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
<b>REVENUES:</b>					
Current Tax	\$19,080,405	\$443,518	\$19,251,878	(\$171,473)	101%
Delinquent Tax *	270,000	10,651	103,387	166,613	38%
Penalty & Interest	130,500	31,567	90,627	39,873	69%
Special Assessments and Miscellaneous*	10,000	58,941	157,283	(147,283)	1573%
<b>Subtotal Revenues:</b>	<b>\$19,490,905</b>	<b>\$544,678</b>	<b>\$19,603,174</b>	<b>(\$112,269)</b>	<b>100.6%</b>
DESCRIPTION	BUDGET	CURRENT MONTH	Y-T-D	BALANCE (OVER) / UNDER	Y-T-D % OF BUDGET
<b>EXPENDITURES:</b>					
LESS: HCAD Fees	\$155,000	\$0	\$113,318	\$41,682	73%
LESS: HCTO Fees	383,500	0	369,899	13,601	1%
<b>Subtotal Expenditures:</b>	<b>\$538,500</b>	<b>\$0</b>	<b>\$483,217</b>	<b>\$55,283</b>	<b>3%</b>
<b>Net Tax Collections:</b>	<b>\$18,952,405</b>	<b>\$544,678</b>	<b>\$19,119,957</b>	<b>(\$167,552)</b>	<b>100.9%</b>

a) 2013 Tax Rate =  $\$0.006358 / \$100$  Property Assessment/Appraisal - --> Annual Tax on a  $\$179,950 - \$35,990 = \$143,960 / 100 \times .006358 =$  Residential Property =  $\$9.15$  (net of 20% homestead exception .)

b)  $\$538,500 / \$19,490,905 = 2.8\%$  Collection and assessment costs

# INTERIM FINANCIAL REPORT (unaudited)

## INTERIM CURRENT TAX REVENUE ESTIMATES REPORT

### March 31, 2014



	SCENARIO (1) APPRAISED VALUE HCAD	SCENARIO (2) OWNER'S VALUE OWNER REQUESTED	SCENARIO (3) EST FINAL VALUE COMMITTEE RECOMMENDED
<b>Property Use Category Recap-Certified To Date -Report:</b>			
Taxable value	\$316,517,902,573	\$316,517,902,573	\$316,517,902,573
<b>PLUS: Uncertified Roll Summary Report:</b>			
Scenario (1) Appraised value	2,682,796,011	-	-
Scenario (2) Owner's value	-	2,406,996,679	-
Scenario (3) Estimated final value	-	-	496,168,237
<b>Total taxable value, Certified and Uncertified:</b>	<u>\$319,200,698,584 (A)</u>	<u>\$318,924,899,252 (A)</u>	<u>\$317,014,070,810 (A)</u>
<b>Calculate Interim Current Tax Revenue Estimate:</b>			
1) (A) divided by 100	\$3,192,006,986 (B)	\$3,189,248,993 (B)	\$3,170,140,708 (B)
2) Current Tax Rate	<u>X 0.006358 (C)</u>	<u>X 0.006358 (C)</u>	<u>X 0.006358 (C)</u>
3) 2014 Interim Current Tax Revenue Estimate, at 100% Collection Rate, (B) X (C)	<u>\$20,294,780 (D)</u>	<u>\$20,277,245 (D)</u>	<u>\$20,155,755 (D)</u>
4) Interim Tax Rev Estimate @ 99% Collection Rate:	<u>\$20,091,833 (E)</u>	<u>\$20,074,473 (E)</u>	<u>\$19,954,197 (E)</u>
<b>Comparison of Interim Tax Rev Estimate @ 99% Collection Rate with Interim Current Tax Revenue Est:</b>			
Interim Current Tax Revenue Estimate Over/(Under)			
Current Tax Revenue, Currently Budgeted:			
Interim Current Tax Revenue Estimate (E)	\$20,091,833 (E)	\$20,074,473 (E)	\$19,954,197 (E)
<b>LESS: Tax Revenue, Currently Budgeted</b>	<u>\$19,490,905 (F)</u>	<u>\$19,490,905 (F)</u>	<u>\$19,490,905 (F)</u>
<b>Total Interim Current Tax Revenue Estimate Over/(Under) Current Tax Revenue, Currently Budgeted, (E) - (F):</b>	<u>\$600,928</u>	<u>\$583,568</u>	<u>\$463,292</u>
<b>Total Current Tax Revenue Received, March 2014, 1993-571100**:</b>	<u>\$19,251,878</u>	<u>\$19,251,878</u>	<u>\$19,251,878</u>

# INTERIM FINANCIAL REPORT (unaudited)

## DISBURSEMENTS – ALL FUNDS

### March 2014



DESCRIPTION	DISBURSEMENTS	AMOUNT
All Funds	548 Checks	1,520,347.83
P Card – March 2014	486 Transactions	78,865.88
Bank ACH - payroll liabilities	3 Transfers	2,695,591.79
	<b>Total:</b>	<b>4,294,805.50</b>

- Notes:
- (A) All Purchase Orders and Payment Authorizations are reviewed before disbursement.
  - (B) All Procurement Card charges are reviewed by cardholder, supervisor, and business office staff each month.
  - (C) A report on CH Local expenditures is included in the monthly report.

# INTERIM FINANCIAL REPORT (unaudited)

## Segment Division Data

As of March 31, 2014

<u>BUDGET MANAGER TITLE</u>	<u>Revenues</u>	<u>Tax Subsidy</u>	<u>Expenditure and Encumbran</u>	<u>Includes Tax subsidy Variance</u>	<u>w/o Tax Profit Ratio</u>	<u>Profitability Variance</u>
Alternative Certification	\$ 143,894	\$ 48,060	\$ 207,848	\$(15,894)	-44%	\$(63,954)
Choice Partners Cooperative	1,378,507	-	1,094,733	283,774	21%	283,774
Records Management	713,629	110,309	885,045	(61,107)	-24%	(171,416)
Special Education - Therapy Services	4,738,850	-	4,676,445	62,405	1%	62,405



**HIGHLIGHTS  
Of  
BUDGET AMENDMENT REPORT  
April 15, 2014  
Board Meeting**

**(unaudited)**

**Amendments**

**General Fund = \$ 1,086,503**

**Special Revenue Funds = \$ 16,022**



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# INTERIM FINANCIAL REPORT (unaudited)

## FY 2013-14 BUDGET AMENDMENT REPORT

March 31, 2014

General Fund



### **GENERAL FUND (199)**

#### **Center for Safe & Secure Schools (CSSS)**

Increase Revenues and expenditures-Revised Revenue Projections-Various School Districts	5,975
Total Center for Safe & Secure Schools	<b>5,975</b>

#### **Center for Fiscal Accountability and School Governance**

Increase Revenues and expenditures-Revised revenue projections	10,725
Total Center for Fiscal Accountability and School Governance	<b>10,725</b>

#### **Department Wide (DW)**

Increase revenues and expenditures-Indirect Cost Head Start NOGA FY 14	24,803
Total Department Wide	<b>24,803</b>

# INTERIM FINANCIAL REPORT (unaudited)

## FY 2013-14 BUDGET AMENDMENT REPORT

March 31, 2014

General Fund



### *Center for Grants Development*

Increase revenues and expenditures-Revised revenue projections	3,000
Total Center for Grants Development	<u>3,000</u>

### *Facilities Support Services-Constuction Services*

Increase expenditures for Highpoint North Campus Improvement (Funds come from Assigned Fund Balance)	1,000,000
	<u>1,000,000</u>

### *Research and Evaluation Institute*

Increase revenues and expenditures-Contract with Alief ISD 21st Century Grant Evaluation	22,000
Increase revenues and expenditures-Contract with Spring Branch ISD 21st Century Grant Evaluation	20,000
Total Research & Evaluation Institute	<u>42,000</u>

**Total GENERAL FUND:**

**\$1,086,503**

# INTERIM FINANCIAL REPORT (unaudited)

## FY 2013-14 BUDGET AMENDMENT REPORT

March 31, 2014

### Special Revenue Fund



#### **SPECIAL REVENUE FUND**

##### **Head Start**

Increase revenues & expenditures-Fed Head Start Regular-Adjust to NOGA (Fund 205-4)	153,637
Decrease revenues & expenditures-Fed Head Start In Kind-Adjust to NOGA (Fund 479-4)	(212,815)
Total Head Start	<u>(59,178)</u>

##### **Texas Virtual Schools Network (TxVSN)**

Increase revenues & expenditures-State-Revised Contract Amount (Fund 383-4)	75,200
Total TxVSN	<u>75,200</u>

**Total SPECIAL REVENUE FUNDS:**

**\$ 16,022**

# INTERIM FINANCIAL REPORT (unaudited)

I certify that the foregoing information is true and accurate to the best of my knowledge.

/s/ Jesus J. Amezcua, CPA, Asst. Supt. for Business Support Services

/s/ Rosa Maria Torres, Chief Accounting Officer

/s/ John Weber, MBA, RTSBA, Accounting and Reporting  
Compliance Officer

/s/ Antonia Yvette Hamm, RTSBA, Accounting Manager

\*\*\*

Q & A



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